E/ICEF/FINANCIAL RULES/1/Amend.1

UNITED NATIONS CHILDREN'S FUND

FINANCIAL REGULATIONS AND RULES OF THE UNITED NATIONS CHILDREN'S FUND

EXECUTIVE DIRECTOR'S TRANSMITTAL NOTE

Amendment to financial regulation 4.10

1. The Executive Board of the United Nations Children's Fund (UNICEF) adopted decision 1990/28 at its 1990 regular session amending financial regulation 4.10 to read as follows:

> "Regulation 4.10: Differences resulting from the payment of contributions pledged in currencies other than United States dollars shall be recorded against these contributions."

2. New pages 7 and 8 are transmitted herewith for insertion in the Financial Regulations and Rules of UNICEF.

James P. Grant
Executive Director
UNICEF

Regulation 4.10: Differences resulting from the payment of contributions pledged in currencies other than United States dollars shall be recorded against these contributions.

Article V. SPECIAL ACCOUNTS

Regulation 5.1: Special accounts may be established by the Executive Board or by the Executive Director for special purposes consistent with the policies, aims and activities of UNICEF. The purpose and limits of each special account shall be defined by the authority which established it at the time the account is established.

Establishment of special accounts

Rule 105.1: Each special account shall be established on the basis of a resolution or decision of the Executive Board, or a written agreement signed by the Executive Director and the donor, or express terms of reference issued by the Executive Director for the special account concerned, or as provided under rule 105.6.

Rule 105.2: An agreement signed with a donor under rule 105.1 shall specify the amount and purpose of the funds to be received, the activities to be financed and their duration and shall include such other provisions as the Executive Director shall consider necessary to give effect to the policies, aims and regulations of UNICEF.

Rule 105.3: UNICEF may enter into commitments for the activities under special accounts after adoption, signature or issuance of the basic document required for the establishment of the special account:

(a) Upon receipt of the necessary funds from the donor; or

(b) Where UNICEF and the donor agree on a specific payment schedule.

Rule 105.4: Unless otherwise provided by the Executive Board, special accounts and the activities financed therefrom shall be administered in accordance with the applicable regulations, rules and administrative issuances. The Comptroller shall institute procedures consistent with these rules for the management of special accounts.

Regulation 5.2: Within the policies and guidelines approved by the Board, the Executive Director may establish special accounts for funds received by UNICEF to procure supplies, equipment and services at the request and on behalf of Governments, agencies or other organizations. A written agreement should be concluded between UNICEF and the requesting Government, agency or organization, specifying the nature and cost of the services to be furnished by UNICEF and providing for full financing of all actual and incidental expenses connected with procurement.

Purchasing activities by special agreement

Rule 105.5: UNICEF may enter into special arrangements with Governments, other organizations in the United Nations system, governmental and non-governmental organizations, to undertake activities on their behalf for the purchase of supplies, equipment and services, where such materials and services are required for purposes related to UNICEF activities and consistent with the aims and policies of UNICEF. Such arrangements shall be on the basis of written agreements which shall include provisions for UNICEF to receive payment in advance to cover all costs of the purchasing activities to be undertaken by UNICEF, except where a payment schedule acceptable to UNICEF has been agreed upon covering such costs or where reciprocal arrangements already exist or have been concluded with the recipient, with the approval of the Comptroller.

Rule 105.6: Special accounts shall be established to which all funds received by UNICEF for the purchasing activities under rule 105.5 shall be credited and expenditures charged. Any unexpended balance or accrued interest on such special accounts shall be disposed of in accordance with rules 105.9 and 105.10.

Rule 105.7: All financial and other transactions for the purchasing activities under rule 105.5 shall be conducted in conformity with the relevant regulations, rules, instructions and directives.

Rule 105.8: UNICEF shall take out and maintain such insurance as is necessary against risks of claims associated with the purchasing activities under rule 105.5, covering, among others, the procurement, shipment, provision or use of any materials or services, conducted on behalf of Governments, agencies or other organizations. The costs of such insurance shall be borne by the requesting Government or organization.

Regulation 5.3: Funds placed in special accounts shall not form part of the income of UNICEF. Unless otherwise provided by the Executive Board, such funds:

(a) Shall not involve any direct or indirect additional financial liability for UNICEF;

(b) Shall include amounts sufficient to defray expenses related to their administration as shall be determined by the Executive Director.